



**MEGROUP LTD.**

(Company Registration No. 201804996H)  
(Incorporated in the Republic of Singapore)

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**(1) CONDITIONAL OFFER LETTER IN RESPECT OF A SECOND MITSUBISHI MOTORS  
DEALERSHIP  
(2) USE OF PROCEEDS FROM THE INITIAL PUBLIC OFFERING**

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The Board of Directors (the "**Board**") of MeGroup Ltd. (the "**Company**", and together with its subsidiaries, the "**Group**") refers to:-

- (i) the Company's offer document dated 22 October 2018 (the "**Offer Document**") in connection with its initial public offering ("**IPO**") on the Catalist board of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**");
- (ii) the Company's announcement on 4 December 2019 in respect of the incorporation of a new subsidiary, MN Wheels Sdn. Bhd. ("**MN Wheels**"); and
- (iii) the Company's announcement on 25 January 2021 in respect of the awarded second dealership from Mitsubishi Motors Malaysia Sdn. Bhd. ("**Mitsubishi Motors**").

**1. CONDITIONAL OFFER LETTER IN RESPECT OF A NEW MITSUBISHI MOTORS DEALERSHIP**

As announced on 25 January 2021 and in line with the Group's expansion plans, Mitsubishi Motors had, on 12 January 2021, issued a conditional letter of offer (the "**Offer Letter**") to MN Wheels to establish a second 3S automobile dealership for the Mitsubishi Motors brand of automobiles comprising a showroom and a service centre at Bandar Bukit Raja, Selangor (the "**Second Mitsubishi Dealership**").

The Group accepted the Offer Letter on 25 January 2021.

The Group's appointment is conditional upon the satisfaction of certain conditions, including providing banker's guarantees for RM200,000 in favour of Mitsubishi Motors as a performance security deposit.

The Group expects showroom operations to commence in the second quarter of the 2021 calendar year, ahead of Group's initial expectations as announced on 25 January 2021.

The Second Mitsubishi Dealership would bring the total number of dealerships operated by the Group under its dealership business to 10 dealerships under the Ford, Honda, Hyundai, Mazda, Mitsubishi Motors and Peugeot brands.

## 2. USE OF PROCEEDS FROM THE INITIAL PUBLIC OFFERING

The Company anticipates capital expenditure of RM700,000 (approximately S\$227,723 based on the exchange rate of RM3.0739:S\$1.00) in connection with (i) the set up and establishment of the Second Mitsubishi Dealership; and (ii) conducting certain addition and alteration works to expand the facilities at its existing Mitsubishi Dealership at Kuala Selangor (collectively, the "Works"). The Works will be funded by proceeds from the Group's IPO and is not expected to have any material impact on the net tangible assets per share and earnings per share of the Group for the current financial year ending 31 March 2022.

The above utilisation will be in line with the intended use of proceeds as set out in the Offer Document.

Upon the completion of the Works (including the establishment of the Second Mitsubishi Dealership), the status of the use of IPO proceeds will be as follows:-

Use of proceeds from IPO	Amount allocated (S\$' million)	Amount utilised as at 11 November 2020 (S\$' million)	Amount utilised upon completion of the Works (S\$' million)	Amount unutilized upon completion of the Works (S\$' million)
Business expansion (including organic expansion and mergers and acquisitions)	1.80	0.99 <sup>(1)(2)(3)</sup>	0.23	0.58
General working capital purposes	0.58	0.58 <sup>(4)</sup>	-	-
<b>Total</b>	<b>2.38</b>	<b>1.57</b>	<b>0.23</b>	<b>0.58</b>

Notes:

- (1) An amount of S\$0.33 million was utilised on 16 April 2019 to increase the issued and paid up capital of MN Automart Sdn Bhd.
- (2) An amount of S\$0.33 million was utilised on 8 July 2019 to increase the issued and paid up capital of MN Otomart Sdn Bhd.
- (3) An amount of S\$0.33 million was utilised on 2 January 2020 to increase the issued and paid up capital of MN Wheels Sdn Bhd.
- (4) General working capital includes payments made to the principals of the Groups' Dealership Business to purchase additional car inventories and to raw material suppliers of the Group's Manufacturing Business for the purchase of raw materials.

The Company will continue to make announcements on the utilisation of the balance of the net proceeds of the IPO as and when such net proceeds are materially disbursed.

None of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the Second Mitsubishi Dealership, other than through their shareholdings in the Company (if any).

The Company will provide further updates on the status of the above matters through SGXNet in accordance with the requirements under the SGX-ST Listing Manual Section B: Rules of Catalist (the "**Catalist Rules**").

#### **BY ORDER OF THE BOARD**

Wong Cheong Chee  
Executive Chairman and Chief Executive Officer  
9 April 2021

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, CIMB Bank Berhad, Singapore Branch (the "**Sponsor**") in accordance with Rule 226(2)(b) of the Catalist Rules.*

*This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.*

*The contact person for the Sponsor is Mr Eric Wong, Director, Investment Banking, Singapore. The contact particulars are 50 Raffles Place #09-01, Singapore Land Tower, Singapore 048623, Telephone: +65 6337 5115.*